



Legislative Council Staff

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Memorandum

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TO: Joint Technology Committee Members

FROM: Luisa Altmann, Senior Research Analyst, 303-866-3518
Joint Technology Committee Staff

SUBJECT: Overview of Information Technology Operating Budget Requests

Summary

This memorandum summarizes the operating budget requests submitted to the Joint Budget Committee (JBC) for FY 2021-22 that are related to information technology and may be of interest to members of the Joint Technology Committee. The request details contained within this memorandum are from JBC staff briefing documents. More information about any of the following items can be provided upon request.

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Governor's Office of Information Technology

R1 – Central Administration Operating Efficiencies. This request reduces the appropriation to the Governor's Office of Information Technology's Central Administration line item by almost \$1.5 million in reappropriated funds, which originate as revenue collected from state agencies utilizing the services offered. The reductions to the Central Administration budget comprise specific costs associated with open vacancies, reducing the Learning and Development Center, and continuing to align specific contracts to actual need and utilization. The finance and human resources offices within Central Administration will leave 4.0 FTE vacancies unfilled to realize additional savings. This results in ongoing reductions of approximately \$1.5 million in reappropriated funds beginning in FY 2021-22. JBC staff estimates the General Fund impact of adopting this request is a reduction of between \$550,000 and \$600,000.

R2 – Applications Operating Efficiencies. This request includes a reduction of about \$5.0 million in total funds, including a decrease of \$74,000 General Fund, to the Applications portfolio, which includes support for over 1,100 applications for state agencies. The request affects three program areas: Applications Administration, Shared Services, and Agency Services; however, the majority of the

amount requested was appropriated for the HRWorks project, which accounts for \$4.3 million of the requested reduction. The Department of Personnel ended development of HRWorks in May 2020.

R3 – Project Management Operating Efficiencies. This request reduces the Project Management budget by \$77,539 in reappropriated funds. The request would eliminate the travel budget and funds OIT receives from the Colorado Department of Human Services (CDHS) for the TRAILS Project. The travel reduction will affect the common policy allocation for state departments supported by OIT. The TRAILS reduction only affects CDHS, which is unable to fully expend all of the state funding it is currently appropriated for the TRAILS project due to federal matching requirements.

R4 – End User Service Operating Efficiencies. This request decreases reappropriated funds by \$452,236 from the End User Services portfolio, which would reduce spending on service desk services and deskside support services.

- SERVICE DESK SERVICES manages the service desk at OIT as the central point of access and support services for IT especially in the areas of system trouble, network connectivity, and the use of supported desktop applications. The service desk team provides documents and responds to requests using the enterprise ticketing system to resolve and close the issues.
- DESKSIDE SUPPORT SERVICES manages implementation and ongoing support of the statewide end user hardware and software for multiple state departments. The program provides daily break/fix resolutions of hardware/software and technical support for end user computer operating systems, so that secure end user devices are achieved.

R5 – Network Operating Efficiencies. This request includes a reduction of \$599,987 in total funds, including \$48,600 cash funds and \$551,387 reappropriated funds, in FY 2021-22 and ongoing years to the OIT Network Long Bill group, including the Network Administration, Colorado State Network CORE, Voice and Data, and Public Service Communication Network (PSCN) appropriations. Network services provide quality, broadband data communications and internet access statewide to Colorado state departments, schools, libraries, city and county government, health care providers, and institutions of higher education. OIT also maintains critical services, including network monitoring and core network availability. The PSCN team is responsible for maintaining the Digital Trunk Radio System across the state, allowing for communication between public safety, public service, and other governmental agencies as either their primary source, or for interoperability emergency and operable communications. The reduction identified for the PSCN is cash funds spending authority that is being underutilized and has a very low risk of affecting emergency communications.

R6 – Infrastructure Operating Efficiencies. This request reduces the infrastructure budget by \$3.0 million in reappropriated funds in FY 2021-22 and ongoing years, an 8.8 percent reduction to its infrastructure appropriations. OIT has assessed the proposed reductions to have low to medium impacts on OIT customers.

R7 – Security Operating Efficiencies. This request reduces the Information Security budget by \$1.4 million in reappropriated funds, including reductions of \$5,000 for Security Administration,

\$956,286 from Security Operations, and \$466,600 related to Security Governance. The reductions requested in the information security program were selected by the administration in an effort to minimize the impact on OIT customers and not jeopardize the information security of the state. OIT selected only low- and medium-impact reductions, including: holding select vacant positions open, reducing operating spending, delaying specific contractor work, renegotiating contracts by working with vendors and suppliers, and delaying some projects that require special tools and licenses.

R8 – Public Safety Network Technical. The request corrects a technical error in House Bill 18-1325 by decreasing \$2.0 million in reappropriated funds. Two years of General Fund transfers were included in the bill, which would annualize out of the budget in FY 2020-21 as prior year legislation. While the \$2.0 million General Fund annualization was correctly removed from the FY 2020-21 Long Bill, the associated reappropriated funds spending authority was not. These reappropriated funds are not part of the funds reallocated to state agencies through the common policy.

R9 – Leased Space Savings. This request reduces leased space appropriations made to OIT by \$750,000 reappropriated funds beginning in FY 2021-22 and in ongoing years. OIT maintains three leases funded through the Leased Space appropriation, which totaled about \$3.5 million reappropriated funds in FY 2020-21. The space includes two data centers, the eFORT Data Center and the Lakewood Data Center (LDC), as well as office and meeting space at the Pearl Plaza HQ. OIT is exploring the potential to reduce lease rates or restructure the terms of space it leases to reduce overhead allocated to other state agencies through the common policy. OIT is using the following principles to guide its leased space decisions:

- reducing utility expenses;
- reducing co-located office space that is separate from the physical data center;
- structuring contracts to require larger lease payments in late stages of the contract period to give the state more flexibility in FY 2021-22 and FY 2022-23; and
- finding better market pricing for services and facilities

Department of Health Care Policy and Financing

R20 – MMIS Annualization Delay. The department requests a reduction of \$7.4 million in total funds, including a decrease of \$2.0 million General Fund, for a reduction in funding for a services integrator vendor. The department was originally scheduled to procure a full-time and on-going services integrator vendor beginning in FY 2020-21, but in a budget-balancing move, the General Assembly delayed funding until FY 2021-22. The department proposes delaying the start of funding for the vendor for another year, to FY 2022-23, to achieve one more year of savings.

R23 – Behavioral Health Eligibility and Claims System Consolidation. The department requests a net increase of \$7.5 million, including \$7.5 million General Fund, to integrate eligibility determinations, claims processing, and data reporting for various behavioral health programs statewide. The proposal attempts to leverage existing systems used by the department in order to serve programs operated by other departments. The Governor's budget navigator identifies this as a strategic investment and stimulus in information technology to strengthen the state response to behavioral health needs.

R24 – Addressing Health Care Disparities. The department requests \$5.9 million in total funds, including \$1.0 million General Fund, to support data transfers from community partners and provide data analytics to identify health disparities by race and ethnicity. The department's goals are to better target outreach, training, and technical assistance and eventually to condition value-based payments to providers on evidence that they are improving health outcomes where disparities exist. The Governor's budget navigator identifies this as a strategic investment and stimulus to create a more equitable Colorado.

Department of Higher Education

R5 – Restore Cybercoding Cryptology Program. This request fully restores funding for the Cybercoding Cryptology Program to the FY 2019-20 level, eliminating a cut of \$2.0 million in General Fund that was taken in FY 2020-21 as a budget-balancing measure.

Department of Revenue

R2 – Sales and Use Tax Simplification System Support. The request includes an increase of \$2.2 million General Fund and 5.0 FTE for ongoing support and maintenance of the Sales and Use Tax Simplification System (SUTS). SUTS was funded in Senate Bill 19-006.

**This request was officially referred to the JTC for review during the JBC staff briefing for the Department of Revenue on December 9, 2020.*

R3 – Information Technology Reorganization & Streamlining. This request includes reductions of \$370,548 General Fund and \$332,931 cash funds from the Information Technology Division, the permanent dissolution of this division, and the relocation of remaining funds to other line items throughout the department. Savings in the Systems Support subdivision are from the elimination of personnel appropriations that were previously used for project management and consulting costs related to IT project implementation, as well as savings from telecommunication costs. Savings in the DMV IT System (DRIVES) Support subdivision are primarily from supplies, such as specialty vehicle registration and title paper.

R8 – DMV Digital Transformation. This request includes a one-time increase of \$5.0 million General Fund to support the DMV's digital expansion. The initiative includes expanding self-service kiosks to include new transaction types, creation of cloud-based virtual call centers with artificial intelligence technology, expanding vehicle titling and registration services to third parties, a statewide marketing campaign to promote online services, and establishment of mobile driver's license offices to reach residents with limited mobility and in remote areas.

Department of State

R1 – 2020 HAVA Election Security Grant State Match. This request includes \$1.4 million in cash funds for FY 2021-22 to match 20 percent of a federal Help America Vote Act (HAVA) grant that totals \$7.1 million. These funds would go toward improving the administration of federal elections. The

department has used funding from past HAVA grants to improve various aspects of Colorado's election system, including developing the statewide voter registration database (SCORE), upgrading county voting equipment, increasing the number of secure ballot drop boxes, upgrading information technology systems to improve election security, training county elections staff, and operating a public awareness campaign on how to vote safely during the COVID-19 pandemic.